Thesis Report
on
Customer Relationship Strategy of the Banking Industry of Bangladesh: A Case Study on Brac Bank PLC

Submitted by:
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ID: MBA2401031037
Major: Marketing
Semester: Fall 2024
Sonargaon University (SU)

Submitted to:
Department of Business Administration
Sonargaon University (SU)
Submitted for the Partial Fulfillment of the Degree of
Master of Business Administration



Sonargaon University (SU)
147/I, Green Road, Panthapath, Dhaka-1205, Bangladesh.

Date of Submission: December 28, 2024

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Submitted to:
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Sonargaon University (SU)
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Date of Submission: December 28, 2024

Letter of Transmittal

December 28, 2024

Sharmila Sikder
Assistant Professor
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of thesis paper.

Dear Madam

With great gratification, I am submitting my research paper titled "**Customer Relationship Strategy in the Banking Industry of Bangladesh: A Case Study on Brac Bank PLC.**" As per partial accomplishment of the requirements for the MBA degree of the course code: (BA 5000) under the MBA Marketing program, I have completed the master paper from the Bank Industry of Bangladesh. It is an enormous prospect for me to gather vast information and appropriately grasp the subject matter. I found the research activity quite interesting, beneficial & and insightful, and I tried my best to prepare an effective & and credible report.

I honestly, not only anticipate that my analysis will provide a clear idea about Customer Relationship Strategy in the Bank Industry in Bangladesh but also optimistic enough to believe that you will find this thesis paper's worth for all the labor I have put into it. I welcome your entire query & and take pride in answering them.

Yours Sincerely

Mahfuza Khanam Suma
ID: MBA2401031037
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Declaration of Student

This is to notify you that, the thesis paper on "**Customer Relationship Strategy in the Banking Industry of Bangladesh: A Case Study on Brac Bank PLC**" has been prepared as a part of my dissertation formalities. It is an obligatory part of my MBA program to submit a thesis paper.

Moreover, my supervisor Sharmila Sikder, Assistant Professor, Department of Business Administration, Sonargaon University (SU), inspired and instructed me.

I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

Mahfuza Khanam Suma
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Certificate of Supervisor

This is to certify that the thesis report "**Customer Relationship Strategy in the Banking Industry of Bangladesh: A Case Study on Brac Bank PLC**" has been prepared as a part of the completion of the MBA program from the Department of Business Administration, Sonargaon University (SU), carried out by Mahfuza Khanam Suma, bearing ID: MBA2401031037 under my supervision. The report or the information will not be used for any other purposes.

Sharmila Sikder
Assistant Professor
Department of Business Administration
Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty Allah for giving me the strength and ability to finish the task.

I want to thank my academic supervisor Sharmila Sikder, Assistant Professor, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to her for guiding me as an advisor to start and complete this report successfully.

The opportunity I had with the Brac Bank was a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would thank my official supervisors Mr. Md. Rajib Alam, Manager, Branch Operations & Service Development, Brac Bank, and Mr. , Director, Selim R.F. Hussain, Brac Bank for allowing me the role of Universal Officer to practice and knowledge generation of Banking service at Brac Bank, without those contributions, it would have not been possible for me to conduct this period of work.

Abstract

This report is based on my experience in the Banking Industry of Bangladesh. This research helped me understand the challenges in Customer Relationship Strategy and how to effectively manage relationships with customers in the banking industry of Bangladesh. The findings and analysis encompass both primary and secondary data. Primary data were collected through face-to-face conversations with Banking service officials, service correspondents, and relevant service sources. Secondary data were gathered from various organization publications, including newsletters, service guidelines, reports, handbooks, websites, and yearly reports. The report also provides an overview of the mission, vision, corporate philosophy, awards, achievements, and corporate milestones of Customer Relationship Strategy. The Banking industry in Bangladesh has experienced significant growth in recent years due to factors such as increasing disposable income, improved Export-Import infrastructure, and changing consumer preferences. This thesis presents a comprehensive analysis of customer relationship strategy by the Bank industry in Bangladesh, with a focus on Brac Bank. The study utilizes a case study approach, incorporating both qualitative and quantitative research methods. Brac Bank has introduced a wide range of products & Services with features and specifications tailored to different customer segments. Additionally, they have emphasized effective branding and marketing strategies to enhance their brand equity and attract target customers. The study concludes by providing valuable insights into the product strategies of Brac Bank in the Bangladeshi banking industry. These findings contribute to the existing body of knowledge on product strategy and provide practical recommendations for Banks operating in Bangladesh. It is hoped that this research will serve as a valuable resource for industry practitioners, academics, and policymakers interested in understanding and improving the bank industries in Bangladesh.

Table of Contents

Contents	Page Number
Title page……	i
Letter of Transmittal……	ii
Declaration of the Student……	iii
Supervisor's Certificate……	iv
Acknowledgment……	iv
Abstract……	vi
Table of Content……	vii-viii
Chapter: 01	**1-4**
Introduction	
1.1 Introduction……	02
1.2 Origin of the project……	02
1.3 Scope of the study……	03
1.4 Background of study……	03
1.5 Objective of the study……	04
1.6 Methodology of the study……	04
1.7 Limitations of the study……	05
Chapter: 02	**05-08**
Literature Review	
2.1 Literature Review……	06-08
Chapter-03	**09-17**
Organizational Profile	
3.1 Historical Background of the Company ……	10
3.2 Vision, Mission & Goal of BBL ……	11
3.2.1 Corporate Vision ……	11
3.2.2 Mission ……	11
3.2.3 Objectives ……	12
3.2.4 Goals ……	12
3.3 Brac Bank Subsidiaries ……	13
3.3.1 BKash ……	13
3.3.2 BRAC EPL ……	13
3.3.3 BRAC Saajan ……	14
3.4 Organizational Structure ……	14
3.5 Shareholding Structure……	14
3.6 Division of Brac Bank PLC ……	15
3.7 Products and Service of Brac Bank PLC ……	16
3.8 SWOT Analysis of Brac Bank PLC ……	16
3.8.1 Strength ……	17

3.8.2 Weakness ……	17
3.8.3 Opportunities ……...	17
3.8.4 Threats …….	17
Chapter-04	**18-23**
Customer Relationship Strategy of Brac Bank PLC	
4.1 BRAC Bank Customer Relationship Strategy (CRS) …….	19
4.1.1 Customer-Centric Approach ……...	19
4.1.2 Digitalization and Technology Integration …….....	19
4.1.3 Customer Feedback and Engagement ……..……...	20
4.1.4 Loyalty Programs and Rewards …..…….	21
4.1.5 Personalized Customer Service ……...	21
4.1.6 Employee Training and Development …..…… …….....	21
4.1.7 Corporate Social Responsibility (CSR) ……..	22
4.1.8 Data Analytics and Customer Insights …..…… ……..	22
4.1.9 Customer Retention and Engagement ..…..…..……...	22
Chapter-05	**24-25**
Findings	
5.1 Findings… ……..….	25
Chapter-06	**26-28**
Recommendations and Conclusion	
6.1 Recommendations……..……..	27
6.2 Conclusion……..….	28
Bibliography	**29-30**
References	**31**

Chapter 01:

Introduction

1.1 Introduction:

BBL provides the complete range of services expected of a commercial bank. Institutional investors on a global scale are also part owners. The primary goal of the bank is to fill a void in the market that traditional banks haven't been able to fill. As an online bank, BRAC Bank is driven to offer the "best-in-class" services to a wide range of customers from all over the country. The BRAC Bank has quickly become one of the most dynamic financial institutions in Bangladesh. BRAC Bank is now seeking exceptional, goal-oriented, energetic, and qualified professionals for a variety of business activities to support the expected growth of its distribution, network, and diverse business areas. The BRAC Bank is a private commercial bank in Bangladesh that caters to small and medium-sized businesses. BRAC, a development group, is in charge of it (SME). The main offices of the bank are located in Dhaka, Bangladesh. There are a total of 375 automatic teller machines (ATMs), 96 cash distribution machines (CDMs), 457 small and medium enterprise (SME) unit offices, 18 premium banking lounges, 481 agent banking locations, and 187 physical bank branches. On July 4, 2001, BRAC Bank was established in response to the large number of people who lacked access to banking services. The bank's long-term vision is to grow into a thriving institution that is also socially responsible. The organization collaborates with BRAC and other stakeholders to make Bangladesh more progressive, healthier, more democratic, and less destitute by paying particular attention to market requirements and prospects for economic growth. Thus, individuals and communities have a greater chance of thriving economically, and the national economy as a whole benefit. The bank always does its best to earn and keep the trust of its customers, shareholders, friends, and neighbors, whose support is essential to its continued success. BRAC Bank PLC is a publicly traded Bangladeshi commercial bank.

1.2 The Origin of the Study:

This thesis paper participation is required for MBA candidates. This thesis program I was associated with BRAC Bank PLC, the host institution. The report was written using my day-to-day work experience as well as my theoretical knowledge. My internal support team and my external supervisor both kept an eye on it.

1.3 The Scope of the Study:

The study will be conducted on "Customer Relationship Strategy of Banking Industry in Bangladesh: A Case Study on Brac Bank PLC" The report is descriptive. The study covers only various functional area of Customer Relationship Management and focuses on the challenges in Establishing sustainable Customer Relationship Management in the Banking industry of Bangladesh. No attempt is made to perform a detailed analysis of the effectiveness of the department. The findings are strictly based on the information provided by respective personnel and the information gathered from different sources. The concentration is on the facts as discovered.

1.4 Background of the Study:

The banking industry in Bangladesh has experienced remarkable growth in recent years, driven by factors such as rapid urbanization and increasing income level of consumers. The entry of both domestic and international banks has intensified competition, leading to a diverse range of banking & financial service available in the market. To gain customer satisfaction, companies need to develop effective customer relationship management with consumer preferences and market demands.

1.5 Objectives of the Study:

1.5.1 Broad Objective:

The broad objective of the report is the partial fulfillment of the degree of a Master of Business Administration.

1.5.2 Specific Objectives:

- To get a feel for BRAC Bank as a whole.
- To learn its goals.
- To gain insight into BRAC Bank's CRM Activities.
- To be familiar with the ins and outs of the bank's operations.

1.6 Methodology of the Study:

1.6.1 Primary Sources:

- Face-to-face informal interactions with clients and authorities.
- Practical instructions from professionals.
- Conversations informally with experts.
- Informal Interaction with Customer Relationship Manager.

1.6.2 Secondary Sources:

- BRAC Bank PLC. annual reports
- Official documents
- Various websites related to the banking industry
- Written information provided by BRAC Bank, PLC
- Documents and mailers
- Magazines and journals on numerous financial issues
- Relevant books, diaries, and other materials

1.7 Limitations of the Study:

One of the most important limitations is the lack of time. Since I worked at the BRAC Bank PLC head office, it was very hard for me to get the right data and information. In the end, another

problem has been that this department hasn't had much experience before. Besides these problems, there are many more, which are listed below:

- Officers don't have much time to help because they have a lot to do every day.
- There isn't enough written information available to do a thorough study. There are a lot of cases that don't get the most recent information.
- Each company has its own secret that isn't shared with other Employees didn't say much because they wanted to keep the organization's secrets.
- All of the bank's branches haven't been physically visited, and all of the people who work there haven't been talked to.
- The majority of the information and data used in this study came from sources other than the study itself. Due to the work of key branch people, it became hard to get accurate data (managers, senior officers). The study's progress may be hampered by the constraints mentioned in the paper, but I am always working to reduce their negative impacts.

Chapter: 02

Literature Review

2.1 Literature Review:

Customer Relationship Management (CRM) introduced in the early 1990s as a trend of marketing relationship. Organizations continuously look for a relationship with their customers. The customer relationship is built upon studying the customers' traits through their purchase behavior. Traits of the customers are highly changeable in their communications with the company. The changeable customers' traits are affected by many factors of the competitive business environment. Moreover, the customers' behaviors vary from one trade field to another. The variance in customer treatment upon the trade field of the company builds a conceptual or a basic concrete standard in handling the customers of that trade field. Therefore, organizations have insights into customers' database through the adoption of CRM software to effectively manage the relationship. The relationship management leads to maintain a loyal customer and monitors the customer retention. Thus, the variety trade fields as well as customers' traits disseminate a wealthy literature of CRM definitions in different perspectives (Croteau & Li, 2003; Mendoza et al., 2007; Nguyen & Mutum, 2012).

Parvatiyar & Sheth, 2001; Peppers & Rogers, 2011; Tarokh & Ghahremanloo, 2007; Thomas & Sullivan, 2005). The concept of CRM has introduced a diverse set of identities. It denotes organization a paradigm shift from a transactional to a relationship-oriented approach. It is advocated that meeting customer needs facilitates successful relationship and customized solution on a one-to-one basis for the company's profitable customers (Nguyen and Simkin, 2013).

However, there is a considerable confusion among academics and practitioners regarding CRM definitions. The range of confusion within business regarding CRM definitions is varied due to the variety of consideration it entails. Is it a philosophy of how companies treat their customers? Is it the overall process of Marketing, Sales, and Service within the company? Is it any undertaken effort to improve customer service? Is it the software that manages customer interactions within an organization? In general, it was agreed that CRM focuses on the relationship between an organization and its customers (Nguyen & Mutum, 2012; McKeen & Smith, 2003; Rob, et. al., 2018).

Therefore, it became immensely vivid that there are many definitions and descriptions found in the literature. Thus, CRM is a highly fragmented concept concerning different things to different

peoples (Buttle, 2004) Many researchers have proposed several definitions for the CRM from a balanced perspective (such as, Hung et al. 2010; Lun, Jinlin, & Yingying, 2008; Payne & Frow, 2005).

There are individual definitions supporting a specific perspective while other common definitions are emphasizing the multiple perspectives at a time (Kim, Suh, & Hwang, 2003). The multiple extended definitions of CRM have produced a rich and diverse set of meanings which has caused much confusion in terms of handling and managing the concept. CRM is not only a customer focused orientation, but an integration of all relationships and use of systems to collect and analyze data across the firm, linking the firm and customer value along the value chain in order to develop capabilities to integrate these activities across the firm's network to subsequently generate customer value while creating shareholder value for the firm (stone & Laughlin, 2016).

Moreover, some scholars have classified the CRM for three levels of perspectives; a business philosophy (Huang & Wang, 2009), a business strategy, and a technology tool perspectives (Caldeira, Pedron, Dhillon, & Jungwoo, 2008). Meanwhile, the CRM detailed analysis and findings have assured the fact that CRM definitions are advancing five major perspectives as a (1) process; (2) strategy; (3) philosophy; (4) capability; and (5) technological tool (Chikweche & Fletcher, 2013).

Chapter: 03

Organizational Profile

3.1 Historical Background of the Company:

BRAC Bank PLC is one of the latest generations of scheduled commercial banks in Bangladesh. It established in Bangladesh under the Banking Companies Act, 1991 and incorporated as private PLC company on 20 May 1999 under the Companies Act, 1994. BRAC Bank PLCstarted its Journey on the 4th of July 2001 with a vision to be the absolute market leader through providing the entire range of banking services suitable to the needs of modern and dynamic banking business as well as to promote broad based participation in the Bangladesh economy through the provision of high quality banking services.

BRAC Bank PLC, with institutional share holdings by BRAC, International Finance Corporation (IFC) and Shore Cap International has been the fastest growing Bank in 2004 and 2005. BRAC Bank PLC is extending full range of banking facilities as per the directives of Bangladesh Bank. It intends to set standards as the absolute market leader in Bangladesh by providing efficient, friendly and modern fully automated on-line service on a profitable basis.

Being one of the members of GABV (Global Alliance For Banking On Values Sustainable Banking), BRAC Bank PLC along with thirteen of the world's leading sustainable banks, is engaged in building a viable future for the financial industry. In line with the theme of developing human capital, the bank is also involved in creating an alternative banking and finance system, where social impact is considered as important as financial return.

In the last five years of operation, the Bank has disbursed over BDT 1500 cores in loans to nearly 50,000 small and medium entrepreneurs. The management of the Bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh. Since inception in July 2001, the Bank's footprint has grown to 156 Branches , 48 SME/Krishi Branches and 22 SME Service Centers) , 14 Apon Shomoy, 330 ATMs, 31 CDMs, 399 SME unit offices and 7,695 (as on 31th March 2013) human resources, BRAC Bank’s operation now cuts across all segments and services in financial industry. It has disbursed over BDT 14,500 cores of SME loan and has over 1,200,000 individual customers who access online banking facilities. With more than 1.3 Million Customers, the bank has already proved to be the largest SME financier in just 12 years of its operation in Bangladesh and continues to broaden its horizon into Retail, Corporate, SME,

Probashi and other arenas of banking. In the year: 2010, BRAC Bank has been recognized as Asia's most Sustainable Bank in Emerging Markets by the Financial Times and IFC

Recently BRAC Bank has achieved the International award for "Excellence in Retail Financial Services".

BRAC Bank PLC has also been recognized as "The Best Managed Bank" in Bangladesh by Asian Banker. The Asian Banker Leadership Achievement Award is Widely Acknowledged by the financial services industry as the highest possible accolade available to professionals in the Industry as recognized in the Asia Pacific and Gulf regions today.

3.2 Vision, Mission & Goal of BBL:

3.2.1 Corporate Vision:

"Building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh".

3.2.2 Mission:

Mission statement reflects what organization is doing currently to achieve its vision. BRAC Bank has number of missions, which are very specific in their way of achieving the vision.

- Sustained growth in Small & Medium Enterprise sector.
- Continuous low-cost deposit growth with controlled growth in retail assets.
- Corporate Assets to be funded through self-liability mobilization.
- Growth in Assets through syndications and investment in faster growing sectors.
- Continuous endeavor to increase non-funded income.
- Keep our debt charges at 2% to maintain a steady profitable growth.
- Achieve efficient synergies between the bank's branches, SME unit offices and BRAC field offices for delivery of remittance and Banks other products and services.
- Manage various lines of business in a full controlled environment with no compromise on service quality.

3.2.3 Objectives:

The objective of BRAC Bank PLC is specific and targeted to its vision and to position itself in the mindset of the people as a bank with difference. The objectives of BRAC Bank PLC are as follows:

- Building a strong customer focus and relationship based on integrity, superior service.
- To creating an honest, open and enabling environment.
- To value and respect people and make decisions based on merit.
- To strive for profit & sound growth.
- To value the fact that they are a member of the BRAC family committed to the creation of employment opportunities across Bangladesh.
- To work as a team to serve the best interest of our owners.
- To relentless in pursuit of business innovation and improvement.
- To base recognition and reward on performance.
- To establish, maintain, carry on, transact and undertake all kinds of investment and financial business including underwriting, managing and distributing the issue of stocks, debentures, and other securities.
- To finance the international trade both in import and export.
- To develop the standard of living of the PLC income group by providing Consumer Credit.
- To finance the industry, trade and commerce in both the conventional way and by offering customer friendly credit service.

3.2.4 Goals:

BRAC Bank will be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world - class organization in terms of service quality and establishing relationships that help its customers to develop and grow

successfully. It will be the Bank of choice both for its employees and its customers, the model bank in this part of the world.

3.3 Brac Bank Subsidiaries:

3.3.1 BKash:

bKash is designed to provide financial services via mobile phones to both the unbanked and the banked people of Bangladesh. The overall bKash value proposition is simple: a safe, convenient place to store money; a safe, easy way to make payments and money transfers. The bKash mobile wallet, a VISA technology platform which is fully encrypted to ensure most secure transactions, will be the customer account where money can be deposited and out of which money can be withdrawn or used for various services. It has a special focus to serve the low income people of the country and promote sustainable micro-savings by providing financial services that are convenient, affordable and reliable. In Bangladesh, where 15% of people are not connected to formal financial system, providing financial services using this mean can make the service more accessible and cost effective for the vast population of Bangladesh.

3.3.2 BRAC EPL

BRAC Equity Partners Ltd (EPL) is a brokerage house and a merchant bank, with 51% of its stake owned by BRAC Bank. BRAC EPL formally commenced operation under a new management team on October 1, 2009. The predecessor of the company, known as Equity Partners Limited (EPL) and its affiliate Equity Partners Securities Ltd (ESPL), was formed in early 2000 as a merchant bank and brokerage company subsequently. Since the acquisition by BRAC Bank, BRAC EPL is providing the stock brokerage and investment services as BRAC EPL Stock Brokerage Ltd & BRAC EPL Investments Ltd. Products and services provided by BRAC EPL Stock Brokerage Ltd. are:

- Open Beneficiary Accounts (BO) for individuals.
- Provide margin lending.
- Trade for institutional investors, both domestic and international.
- Provide stop-gap liquidity support, especially to foreign institutional investors.
- Assist to create and follow an investment strategy.
- Provide corporate finance advisory services.

3.3.3 BRAC Saajan:

BRAC Saajan Exchange Limited, an Exchange Company incorporated in England and Wales, is a subsidiary of BRAC Bank PLC, Bangladesh. The Company has been formed through acquisition of the former Saajan Worldwide Money Transfer Limited, United Kingdom. BRAC Bank owns 87.485% share in BRAC Saajan Exchange. The main purpose of introducing BRAC Saajan Exchange, is to have a footprint in UK and elsewhere in Europe to cater to the needs of Non-Resident Bangladeshis (NRBs) community which has a population of over one million. Non-resident Bangladeshis (NRBs) in UK now has a secured, fast, online transfer option available for sending remittance to their loved ones in Bangladesh from UK.

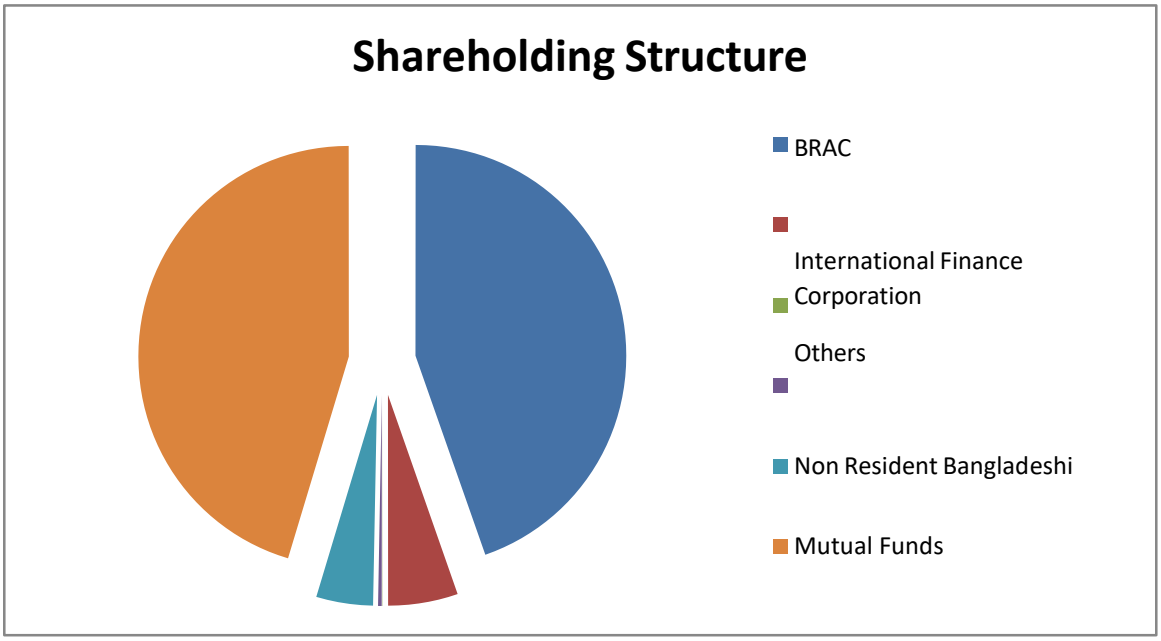
3.4 Organizational Structure:

The Board of Directors of BRAC Bank PLC includes:

Mr. Meheriar M Hasan	Chairman
Mr. Faruq Mayeenuddin Ahmed	Chairman
Ms. Farzana Ahmed	Independent Director
Dr. Zahid Hussain	Independent Director
Ms. Lila Rashed	Independent Director
Mr. Selim R.F. Hussain	Managing Director and CEO

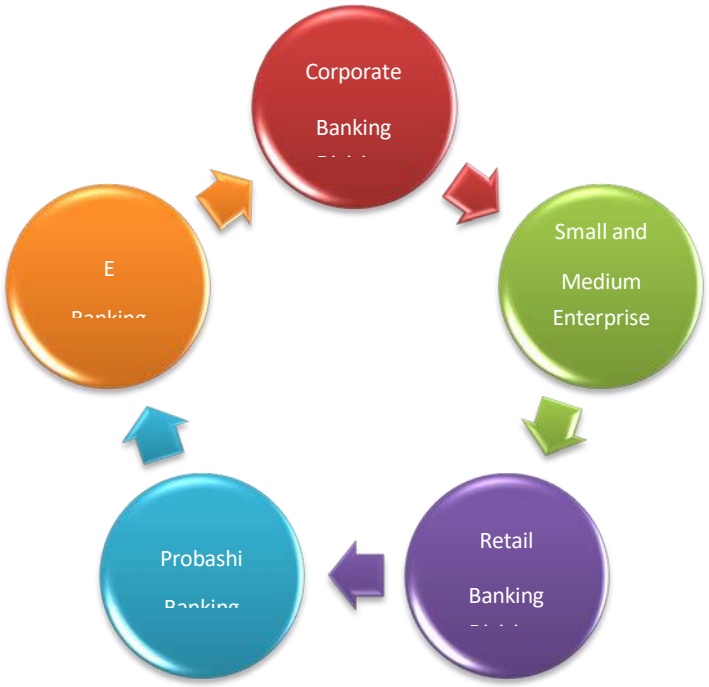
3.5 Shareholding Structure:

Name of Shareholder	% of Shareholding
BRAC	44.64%
International Finance Corporation	5.36%
Others	0.01%
Non Resident Bangladeshi	0.29%
Mutual Funds	4.37%
Institutions And General Public	45.33%
Totals	100%



3.6 Division of Brac Bank PLC:

BRAC Bank Plc consists of five major business divisions namely:



3.7 Products and Service of Brac Bank PLC:

BRAC Bank PLC is offering different types of products and services to their retail customers. The services of PFS and Credit Card Services are known as Retail banking or Consumer Banking. Retail banking deals with providing the bank services to individuals on a One-to-one basis. The services under retail banking are as follows:

- Deposit Products
- Loan Products
- Card Products
- Locker Services
- Foreign Exchange & Related Services

3.8 SWOT Analysis of Brac Bank PLC:

SWOT is an acronym for the internal strength and weakness of a firm and the environmental Opportunity and Threat facing by that firm. So if we consider The BRAC Bank PLC as a business firm and analyze its strength, weakness, opportunity and threat the scenario will be as follows:



3.8.1 Strengths:

- Trustworthiness
- Good Management
- Regular Customers
- Brand Name
- Young Energetic Employees
- Excellent Networking System
- Strong Financial Position
- Large Network- both nationally & Internationally
- Real- Time On-Line Banking

3.8.2 Weaknesses:

- Lack of proper motivation, training and job rotation.
- Lack of experienced employees in junior level management.
- Limited Banking Service.
- Lack of entry-level experience.
- Migration tendencies of employees.

3.8.3 Opportunities:

- SME Finance
- Huge business area
- High growth of sales & trade Finance volume
- Investments on technology.

3.8.4 Threats:

- Increasing Competition
- Losing customers
- New Legal System
- Difficulties to Expand Market in Rural Areas

Chapter: 04

Customer Relationship Strategy of Brac Bank PLC

4.1 BRAC Bank Customer Relationship Strategy (CRS):

BRAC Bank PLC, one of Bangladesh's leading private sector banks, has developed a comprehensive and dynamic Customer Relationship Management (CRM) strategy that has been integral to its success. The bank's CRM approach focuses on maintaining long-term relationships with customers, offering personalized services, and adopting innovative technologies. This customer-centric model is designed to enhance customer satisfaction, loyalty, and retention while ensuring the bank's competitive position in the financial market.

Below is an overview of BRAC Bank's CRM strategy, its key components, and how they are implemented.

4.1.1 Customer-Centric Approach:

At the core of BRAC Bank's CRM strategy is its commitment to providing personalized and attentive service. The bank recognizes that each customer has unique needs and aims to create solutions tailored to those needs. This approach is evident in its:

Customized Banking Products: The bank offers a wide range of financial products that cater to different customer segments, such as retail customers, SMEs, and corporate clients. Each segment is provided with services that match their financial goals, whether it’s personal banking, loans, credit cards, or business accounts.

Dedicated Relationship Managers: For corporate clients and high-net-worth individuals (HNWI), BRAC Bank assigns dedicated relationship managers who provide personalized service and advice, helping customers with complex financial decisions.

4.1.2 Digitalization and Technology Integration:

With the growing importance of digital channels in customer engagement, BRAC Bank has heavily invested in technology to improve the customer experience. The bank’s digital-first approach includes:

Mobile Banking Apps: The BRAC Bank Mobile App allows customers to access a variety of banking services, such as checking balances, transferring money, paying bills, and accessing loan information, all from their mobile devices.

Internet Banking: The BRAC Bank Internet Banking platform provides customers with an easy and secure way to conduct banking transactions online, ensuring convenience and flexibility.

Digital Loan Applications: BRAC Bank has implemented digital loan application processes, allowing customers to apply for loans and credit facilities online with minimal paperwork and faster approval times.

By integrating these technologies, BRAC Bank enhances customer convenience, especially in urban areas, and helps to bridge the gap for customers in rural areas who may not have easy access to physical branches.

The BRAC Bank Astha app is a free app that allows users to perform banking tasks without visiting a branch:

Account management: Users can manage their accounts, credit cards, and view account information, Fund transfers and bill payments: Users can perform fund transfers and bill payments, ATM and branch information: Users can access a list of ATMs and branches, Other features: Users can register for new accounts, retrieve their user ID or password, and view credit card statements, credit limits, and outstanding balances.

4.1.3 Customer Feedback and Engagement:

BRAC Bank places a strong emphasis on understanding customer needs and continuously improving its services. To achieve this:

Feedback Mechanisms: The bank actively collects customer feedback through various channels, including surveys, call centers, and social media. Customers can share their experiences and suggestions, which the bank uses to improve service quality.

Complaint Management: BRAC Bank has a well-established complaint management system that ensures customer issues are addressed promptly. It is an essential part of their CRM strategy to build trust and customer loyalty by resolving problems effectively and quickly.

Customer Satisfaction Surveys: The bank regularly conducts customer satisfaction surveys to measure the quality of its services, which helps to identify areas for improvement.

4.1.4 Loyalty Programs and Rewards:

To strengthen relationships and encourage long-term customer loyalty, BRAC Bank offers loyalty programs and rewards systems:

BRAC Bank Loyalty Points: Customers earn points for transactions and interactions, which can be redeemed for various rewards, such as discounts on services or exclusive offers. This system not only incentivizes customers to use the bank's products more frequently but also enhances their overall satisfaction with the bank.

Special Offers for Long-Term Customers: BRAC Bank provides exclusive offers, such as preferential interest rates or lower charges, for loyal customers who have maintained long-term relationships with the bank.

4.1.5 Personalized Customer Service:

BRAC Bank emphasizes providing personalized attention to its customers, especially those in specialized segments like SMEs or corporate clients.

SME and Business Banking: BRAC Bank offers a variety of tailored financial solutions for small and medium enterprises (SMEs), such as customized loans, working capital financing, and cash management solutions. Relationship managers work closely with these business clients to understand their challenges and deliver suitable financial products.

Corporate Banking: For corporate clients, BRAC Bank provides strategic advisory services, specialized business loans, and customized investment products. Relationship managers are dedicated to ensuring businesses receive the financial services they need to grow and succeed.

4.1.6 Employee Training and Development:

A significant aspect of BRAC Bank's CRM strategy is ensuring that employees, particularly those in customer-facing roles, are well-trained and equipped to handle customer needs effectively. The bank invests in:

Regular Training Programs: Employees, especially in customer service roles, are regularly trained in areas like communication skills, problem-solving, product knowledge, and customer service excellence.

Employee Engagement: BRAC Bank focuses on creating a work environment that promotes employee satisfaction, as happy and motivated employees are more likely to provide excellent customer service.

4.1.7 Corporate Social Responsibility (CSR):

BRAC Bank's CSR initiatives also play a role in building strong customer relationships. Customers often feel more connected to companies that demonstrate a commitment to societal well-being. BRAC Bank engages in various social development activities, such as:

Educational Programs: Supporting financial literacy and other educational initiatives for underserved communities.

Environmental Sustainability Projects: Promoting sustainability through green banking initiatives and contributing to environmental protection efforts.

These activities help BRAC Bank build goodwill among customers and strengthen its brand image as a socially responsible institution.

4.1.8 Data Analytics and Customer Insights:

BRAC Bank employs data analytics to gain insights into customer behavior, preferences, and transaction patterns. By analyzing this data, the bank can:

Tailor Offerings: Create personalized marketing campaigns and offer customized financial products based on customer behavior.

Predict Customer Needs: Use predictive analytics to anticipate customer needs and proactively offer solutions or services.

Improve Customer Experience: Continuously refine customer service strategies based on the insights gathered from customer interactions and feedback.

4.1.9 Customer Retention and Engagement:

BRAC Bank places a strong emphasis on customer retention through its ability to engage customers effectively. Regular communication through various channels like email newsletters, mobile alerts, and social media helps the bank stay connected with customers and keep them informed about new services, promotions, or changes in banking regulations.

Additionally, the bank’s customer retention strategies include: Proactive Communication: Reaching out to customers with useful updates, personalized financial advice, and reminders about bank services they may benefit from.

Re-engagement Programs: For inactive customers, the bank offers tailored promotions or services to re-engage them and encourage them to return to active use of banking products.

BRAC Bank's CRM strategy is a prime example of how a modern banking institution can leverage personalized service, technology, and customer engagement to build strong, long-lasting relationships with its customers. By continually innovating and adapting to changing customer expectations, BRAC Bank has established itself as a leader in customer relationship management in the banking sector of Bangladesh. The combination of digitalization, customer feedback systems, loyalty programs, and specialized services for various customer segments ensures that the bank remains at the forefront of customer satisfaction and loyalty.

Chapter: 05

Findings

5.1 Findings:

BRAC Bank Ltd is an organization which is operating their business successfully in the banking sector since 2001. Therefore, it is very tough to recommend on any aspect of the company.

However, as it is the requirement of the report so I have come up with few recommendations, after conducting the research.

- The present system is time consuming both for the bankers as well as the clients. For instance; in terms of bankers, the officers have to go through a lot of files in searching the details of a particular transaction, if it is backdated. In terms of clients, they have to wait in a long queue in order to let the officer find out the correct file.
- In some cases not paying attention towards customers during a busy hour creates a negative situation. 26% customers from my survey have disagreed that Customer Service Officer can't response to clients properly.
- Customers do not receive appropriate attention. Even though these customers aren't a/c holders of the bank, the goodwill and negative word of mouth of the bank and its overall image of quality service are hampered.
- In this branch most of the bearer does not know about the token system and they come to the desk directly. When the service provider tells them to get token don't want to. 24% customers are strongly disagreed that token system is not effective for customers to take services comfortably.
- In case of foreign remittance there are times when the clients do not know which branch are they to receive their money from and thus going to branch to branch.
- Many customers do not like the token system and create a bad influence on others.

For a service business that is in operation for long term, these effects will negatively affects the goodwill in the long run, which seems to be hazardous.

Chapter: 06

Recommendations and Conclusion

6.1 Recommendations:

After analysis of all gathered information and other relevant documents, BBL should carefully consider following matters:

- Employees are needed to give adequate training to work and handle clients under pressure. In this case both the branch authorities and higher authorities can persuade each other to train the employees.
- BBL should try to improve the effectiveness of their alternate banking. From my survey I have found that 22% customers are neutral about the effectiveness of the alternate banking. So BBL should emphasize to decrease the numbers of neutral customers about alternate banking.
- BRAC Bank customers have access to the vast ATM network of others bank and Q-cash booths but transaction charges is too high that may be the vital cause to boost displeasure among customers.
- Some of the customers do think that BBL charges more than other local private bank. So I guess BBL should also look at it.
- Employees should get proper knowledge on products & facilities to deliver the customer regarding right time, right facilities as per their requirements. BBL should maintain errors-free customer's record & database which will help to identify the major customer's facility requirements. From my survey I have found that 20% customers are disagreed that BBL maintains an error free records.
- Most of the customers of BBL have an income of in between 21000 to 80000. Around 96% customers are in this group. So I guess BBL should emphasize more on those customers who have a salary of more than 1 lakh.
- Cash Deposit Machines (CDM) service of the bank is completely dissatisfactory that is why they should improve ATM service.
- Customer service should be more smart and fast. So BBL should recruit more capable & experiences employees for faster customer services.
- Card division should be more committed to deliver product on time.
- At present BBL perform business activities through 156 of its branches but they should open more branches in order to reach to more customers.

- Bank should be fast in cash payment, and to clear a cheque.
- BRAC Bank Ltd. need to increase own ATM booth all over the country and ensure their smooth operations.

6.2 Conclusion:

Since the banking service especially the private Banks are doing an outstanding business, so it is clear that the modern people are more concerned about securing their valuable assets and get high-quality and timely services. For this reason lot of new commercial bank has been established in last few years and these banks have made this banking sector very competitive. So, now banks have to organize their operation and do their operations according to the need of the market. Banking sectors no more depends on a traditional method of banking. In this competitive world this sector has trenched its wings wide enough to cover any kind of financial services anywhere in this world. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way.

Since its inception, BRAC bank has been working according to its 3p agenda- Planet, people and profit. From the beginning, BRAC bank has been working to ensure best use of human capital. As a member of GABV (Global Alliance for banking on values), BRAC bank put emphasis on sustainable banking by making sure utmost service for people and economy.

In this cutthroat world, there is huge competition. Banking industry is no different. All banks try to make a strong presence to market by rendering best possible solutions and supreme service quality. Nevertheless, satisfaction is highly personal opinion; definition of satisfaction differs from person to person. Satisfaction is something perhaps beyond adequacy, beyond expectation that put a positive impression on customer's mind. Since there is no fixed definition of customer's satisfaction in banking, I made this report by making an effort to question customers with whom I got opportunity to get close in the course of my internship. I tried to know from them what they think would make them satisfied about service. This project concentrated mostly on the customer services of the Banani branch and identified some valuable information that could make the services more attractive and also enhance the banks reputation among the customers. With the current performance of the Bank and with little improvement here and there will certainly make BRAC Bank one of the best Private Bank in Bangladesh in the near future.

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